

Message Text

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ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
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R 311937Z MAR 78
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 1792
INFO AMEMBASSY BOGOTA
AMCONSUL CURACAO
AMEMBASSY GEORGETOWN
AMEMBASSY THE HAGUE
/USCINCLANT NORFOLK VA
USCINCSO QUARRY HEIGHTS

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E.O. 11652: NA
TAGS: EINV EFIN PINT PBOR PEPR IDB NA VE
SUBJECT: THIS WEEK IN VENEZUELA

REFS: (A) CARACAS 2802 (B) CARACAS 1639

SUMMARY: PRESIDENT CARTER VISITS VENEZUELA. VENEZUELAN
PRESIDENTIAL CAMPAIGN BEGINS APRIL 1. VENEZUELA AND
THE NETHERLANDS ANTILLES SIGN A MARITIME BOUNDARIES
AGREEMENT. VENEZUELAN INVESTMENT DUND TO PLACE \$500
MILLION ABROAD IN 1978. END SUMMARY.

1. SUCCESSFUL PRESIDENTIAL VISIT.

THE CORDIAL RELATIONSHIP BETWEEN PRESIDENTS CARTER AND
PEREZ WAS CARRIED ON STEP FURTHER DURING PRESIDENT CARTER'S
MARCH 28-29 VISIT. THE PRESIDENTS, ACCOMPANIED BY ADVISORS
AND CABINET MEMBERS, MET TWICE FOR TALKS ON A WIDE RANGE
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OF SUBJECTS INCLUDING HUMAN RIGHTS, NON-PROLIFERATION,
THE MIDDLE EAST, AFRICA BELIZE, NICARAGUA, CONVENTIONAL ARMS
RESTRAINT, AND ECONOMIC ISSUES. OIL, LAW OF THE SEA AND THE
NORTH-SOUTH DIALOG WERE ALSO DISCUSSED. THE MEDIA GAVE
EXTREMELY HEAVY COVERAGE TO THE VISIT. THERE WERE SPLASHES
OF NEWSPAPER PHOTOS AND TV COVERAGE OF ALL THE MAJOR
EVENTS INCLUDING PRESIDENT CARTER'S SPEECH TO THE NATIONAL

CONGRESS. (SEE SEPTELS).

2. PRESIDENTIAL CAMPAIGN GEARS UP APRIL 1

THE OFFICIAL OPENING OF THE PRESIDENTIAL CAMPAIGN APRIL 1 WILL FIND THE TWO MAJOR PARTIES, AD AND COPEI, APPEALING TO THE ELECTORATE IN DIAMETRICALLY OPPOSING STYLES. AD NOMINEE LUIS PINERUA ORDAZ WILL BLITZ THROUGH VENEZUELA APRIL 1 AND 2 IN A SERIES OF TWENTY MEETINGS IN AS MANY STATES. LUIS HERRERA CAMPINS, THE COPEI STANDARDBEARER, INTENDS TO CONCENTRATE HIS ENTIRE FIRST DAY IN VALENCIA, STAGING A MASSIVE MARCH AND RALLY FOLLOWED BY A NATIONALLY BROADCAST SPEECH. ACTIVISTS OF BOTH PARTIES WILL ORGANIZE LOCAL RALLIES IN CITIES AND TOWNS THROUGHOUT VENEZUELA. THE FOUR LEFTIST PARTIES WHICH HAVE NOMINATED CANDIDATES HAVE PLANNED MORE MODEST RALLIES AND ARE CONCENTRATING ON THE MAJOR POPULATION CENTERS. COMMENT: WHILE CANDIDATES HAVE BEEN RUNNING FOR MONTHS, THE "OFFICIAL" OPENING OF THE CAMPAIGN SIGNALS A DRAMATIC INCREASE IN THE HOOPLA AND SPEECHMAKING. PRE-CAMPAIGN PUBLICITY RESTRAINTS WILL BE LIFTED AND THE CANDIDATES, WHILE STILL INCLINED TO POLEMICS, WILL SLOWLY BE FORCED TO DEFINE THEIR STANDS ON ISSUES OF CONCERN TO THE VENEZUELAN VOTER SUCH AS RISING PRICES, DETERIORATING PUBLIC SERVICES, SCARCITIES OF NEEDED GOODS AND THE BESEIGED EDUCATIONAL SYSTEM END COMMENT.

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3. PRESIDENT PEREZ TRAVELS TO NETHERLANDS ANTILLES TO SIGN MARITIME BOUNDARY ACCORD.

PRESIDENT PEREZ ARRIVED MARCH 31 IN WILLEMSTAD, CURACAO TO SIGN A MARITIME BOUNDARY ACCORD HAMMERED OUT LAST MONTH DURING AND AFTER THE VISIT OF MINISTER-PRESIDENT SILVIUS ROZENDAL TO CARACAS (REFTEL B). FOREIGN MINISTER SIMON ALBERTO CONSALVI AND A RETINUE OF 200 OTHERS ALSO TRAVELED WITH PRESIDENT PEREZ. COMMENT: THE TREATY REPRESENTS THE CULMINATION OF MORE THAN FOUR YEARS OF ON-AGAIN, OFF-AGAIN NEGOTIATIONS WITH THE NETHERLANDS ANTILLES OVER MARITIME BOUNDARIES. IT IS IMPORTANT TO THE GOV FOR TWO REASONS. FIRST, THE PEREZ ADMINISTRATION HAS BEEN TRYING TO SETTLE AS MANY OF VENEZUELA'S BORDER PROBLEMS AS POSSIBLE. IT GOT CLOSE WITH COLOMBIA, BUT FAILED TO GET OPPOSITION PARTY SUPPORT. IT IS CLOSE WITH GUYANA AND WE UNDERSTAND PRESIDENT PEREZ WILL DO EVERYTHING HE CAN TO SETTLE WITH BURNHAM BEFORE THE FORMER LEAVES OFFICE IN MARCH 1979. SECOND, THE GOV WANTED TO REACH AGREEMENT ON ITS MARITIME BOUNDARIES WITH THE NETHERLANDS ANTILLES BEFORE THE LATTER ACHIEVED INDEPENDENCE. THE VENEZUELAN PERCEPTION WAS

THAT THE DUTCH WERE EASIER TO DEAL WITH THAN THE NEWLY INDEPENDENT ANTILLIANS. IN ADDITION TO MARITIME ACCORDS SIGNED WITH THE UNITED STATES AND THE NETHERLANDS ANTILLES THIS WEEK, VENEZUELA IS ALSO WORKING TO COMPLETE MARITIME AND SUBMARINE AGREEMENTS WITH THE DOMINICAN REPUBLIC, TRINIDAD AND TOBAGO, AND COLOMBIA BEFORE THE END OF THE YEAR.

4. VENEZUELAN INVESTMENT FUND TO PLACE \$500 MILLION ABROAD IN 1978.

VENEZUELAN INVESTMENT FUND (FIV) PRESIDENT HURTADO HAS ANNOUNCED THAT THE FIV EXPECTS TO INVEST ABOUT \$300 MILLION IN PROJECTS IN CENTRAL AMERICA, PANAMA AND JAMAICA DURING 1978. THE FUNDS WILL BE COMMERCIAL. IN ADDITION, THE FIV EXPECTS TO TRANSFER \$220 MILLION TO THE INTER-AMERICAN LIMITED OFFICIAL USE

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DEVELOPMENT BANK TRUST FUND ESTABLISHED IN 1975. FOR A DETAILED ANALYSIS OF FIV LOANS AND OTHER ASSETS HELD ABROAD, SEE CARACAS A-152 DATED NOVEMBER 11, 1977.

5. OTHER REPORTING THIS WEEK INCLUDED MILITARY EXPENDITURE REPORTING AND LIMITATIONS (CARACAS 2884 AND CARACAS 3011), SOCIALIST INTERNATIONAL DELEGATION HEADED BY MARIO SOARES VISITS VENEZUELA (CARACAS 2937), DIEGO ARRIA'S POTENTIAL PRESIDENTIAL CANDIDACY (CARACAS 2960), OIL COMPANY PROBLEMS: OFFICIAL PUBLICATION OF ASSET DEDUCTIONS (CARACAS 2890), GOV ANNOUNCES DECISION TO LIMIT IMPORTS (CARACAS 2938), AND NORTH-SOUTH ISSUES: FOLLOW -UP TO BILATERAL BETWEEN PRESIDENTS CARTER AND PEREZ (CARACAS 2946).
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